

Request for Proposals

Solicitation Number F09650-98-R-0207

West Robins Housing Privatization Project, UHHZ 974012

APPENDIX U: BORROWER AND GUARANTEED LENDER FORMS

APPENDIX U-1: CREDIT INVESTIGATION NOTICE

Credit Investigation Notice

(Date)

(First Name, Middle Initial and Last Name)

(Mailing Address – Street)

(Mailing Address - continued)

(City, State and Zip Code)

As a part of the normal procedure for processing applications, a routine inquiry into your background may be made. This investigative inquiry is typically a credit check conducted by a national credit bureau.

Please read the following statement and indicate your agreement by signing below.

I authorize all credit bureaus to supply the Department of Defense, the United States Air Force, its personnel, and/or agents to conduct and interpret necessary credit investigations. I release the Department of Defense, the United States Air Force, its personnel, and/or agents from any and all liability and responsibility, damages and claims of any kind whatsoever arising from this credit investigation.

(Date)

(Signature)

(Social Security Number)

Date of
Report

Agency

Date Report Destroyed _____

APPENDIX U-2: GUARANTEED LENDER ELIGIBILITY FORM

Department of Defense Military Housing Privatization Initiative

GUARANTEED LENDER ELIGIBILITY FORM

PURPOSE

This form was created in an effort for DoD to:

- Meet federal requirements regarding guaranteed lender eligibility, as stated in the Office of Management and Budget (OMB) Circular No. A-129 and the Debt Collection Improvement Act (DCIA) of 1996. Circular No. A-129 establishes policies and procedures for federal credit programs and states that agencies “should establish and publish in the Federal Register specific eligibility criteria for lender participation in federal guaranteed loan programs.” This lender eligibility form is intended to meet the standards outlined in the Circular. This form also incorporates information required under DCIA, such as requesting tax identification numbers to track any possible delinquent or defaulted government debt.

This form also allows DoD to:

- Facilitate information collection and evaluation processes for determining a lender’s eligibility to participate in DoD’s MHPI Loan Guaranty Program.
- Assure that the prospective guaranteed lender has read and understands all loan documents relating to the particular project the lender plans to finance, and has made preliminary representations in the form of certifications.
- Evaluate the lender’s commitment to finance a particular project.

MAJOR SECTIONS

- **General Information:** This section identifies the lender and assures DoD that the lender has met the minimum requirement of being an approved lender for Fannie Mae, Freddie Mac, Ginnie Mae, FHA or Federal Home Finance Board.
- **Contacts/Principal Officers:** This section provides an easy reference to determine appropriate contacts and key officials in the company. In addition, it is meant to ensure that the lender has adequate staff to handle all aspects of the multifamily mortgage business.
- **Company Profile:** This section provides preliminary information on the operations and management of the company. Financial and insurance information is requested in order to determine the lender’s financial strength.
- **Mortgage Lending Experience:** This section gives DoD a better understanding of the extent of the lender’s involvement in the mortgage business in general.
- **Multifamily Mortgage Lending Experience:** This section gives DoD assurance that the lender has experience originating and servicing multifamily mortgages. It also indicates how the lender manages delinquencies.
- **Other Servicing Performance/Internal Controls:** The questions posed in this section are meant to assure DoD that loan requirements will be met and the lender’s policies and standards are clearly

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articulated. Furthermore, DoD is informed of the degree and extent of the lender's policies and procedures.

- **Statement of Certification:** This section helps DoD identify early in the transaction process any potential conflicts or deal breakers. DoD is also assured that the prospective guaranteed lender has read and understands all loan documents; has provided a list of contingencies relating to the financing of the transaction; and has made a firm commitment. This section also includes certifications in regard to delinquent federal debt. *One policy issue to be discussed is whether DoD will accept a lender who has sought and obtained debt forgiveness from the federal government for delinquent federal debt.*

Note:

Definition of Guaranteed Lender: The applicant is applying for approval to become a DoD Guaranteed Lender. The Guaranteed Lender is the entity that will execute the DoD Military Housing Loan Guaranty Agreement and associated Mortgage and Note.

I. General Information

1. Federal Tax ID No. _____

2. Dun and Bradstreet No. _____

3. Lending Company* Name _____
(On a separate sheet of paper, also supply all other names under which you do business)

*Provide name of company that will be the signatory to the Military Housing Loan Guaranty Agreement

4. Lender's Headquarters Office Address _____

5. Lender's Mailing Address _____

6. Lending Company Type _____
(i.e., Commercial Bank, Investment Bank, Housing Finance Agency, Insurance Company, Conduit, Credit Union, Finance Company, Mortgage Bank, Trade Association, Thrift, Other-specify)

7. Active Affiliates
(Include parent companies and subsidiaries with addresses—attach additional sheets is necessary)

a. _____ c. _____

b. _____ d. _____

8. Are you or have you been an approved multifamily lender/servicer/issuer and in good standing under the multifamily program(s) of the Federal Housing Administration, Ginnie Mae, Fannie Mae, Federal Home Finance Agency or Freddie Mac? Yes No

9. Have you closed at least one multifamily loan within the last 12 months and/or Yes No

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are currently servicing at least one multifamily loan for one or more of institutions noted in # 8 above?
Attach explanation as needed.

Attached

10. Please provide the following information and attach letters from subject agencies noting that your company is approved and in good standing. If you are not in good standing, please include the reasons for the current status and an explanation of steps your organization is taking to change the current status.

Attached

Organization	Lender #	Approval date	OPB of loans originated in last 12 months	UPB of loans serviced in last 12 months
Organization	Lender #	Approval date	OPB of loans originated in last 12 months	UPB of loans serviced in last 12 months

II. *Contacts/Principal Officers*

1. Provide the name and title of key contact person. Also include address, phone number and fax number.

Attached

2. List the principal officers, their titles, and their primary areas of responsibility.

Attached

3. List principal owners with more than a five percent ownership interest in the company. Indicate ownership interest. If a partnership, indicate ownership share of each partner, managing partner and identify.

Attached

4. List the names and titles of individuals in *charge of multifamily mortgage areas* listed below:

- a. Multifamily housing loan originations_____
- b. Secondary Marketing_____
- c. Underwriting _____
- d. Quality Control_____
- e. Escrow Accounting/Escrow Management_____
- f. Servicing_____
- g. Asset Management_____
- h. Non-performing Loan Management_____
- i. Other_____

5. Provide the name(s) of your President and Chief Financial Officer. Include phone number and fax number:

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President _____ Phone _____ Fax _____

CFO _____ Phone _____ Fax _____

III. Company Profile

1. Provide a brief narrative describing the history and general scope of your operations. Attached
Include mergers, acquisitions, bankruptcy or default history, and recent business changes.
2. Provide a copy of your audited, consolidated financial statements for the last three years.
If the audited statements are more than six months old, please provide copies of interim statements. Attached
3. List the states in which you are legally authorized to do business:

4. Provide a complete copy of your Fidelity Bond and Errors and Omissions insurance coverage. Attached
5. Optional: Are you a minority-owned business concern? Yes No
[Definition of a minority-owned business concern: “a firm in which more than fifty percent (50%) of the ownership is held by one or more minorities. In the case of a publicly-owned company, more than fifty percent (50%) of its voting stock must be controlled by minorities. Additionally, the management and daily business operations must be controlled by one or more such individuals.”]

Black	Hispanic	American Indian/Alaskan Native
Asian/Pacific Islander		Other (Specify)
6. Optional: Are you a woman-owned business concern? Yes No
[Definition of a woman-owned business: “a firm in which more than fifty percent (50%) of the ownership or control is held by one or more women. In the case of a publicly-owned company, more than fifty percent (50%) of the voting stock must be owned or controlled by one or more women. Additionally, the management and daily business operations must be controlled by one or more such individuals. In this context, ‘control’ means exercising the power to make policy decisions.”]
7. Provide your Fiscal Year End Date: _____

IV. Mortgage Lending Experience

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1. Provide originations by product type based on the volume generated for each of the last three fiscal years. Include total number of loans and Original Principal Balance (OPB):

Total Mortgage Loan Originations

	Fiscal Year ____		Fiscal Year ____		Fiscal Year ____	
	No. Loans	OPB	No. Loans	OPB	No. Loans	OPB
Conventional	_____	\$_____	_____	\$_____	_____	\$_____
Government	_____	\$_____	_____	\$_____	_____	\$_____
Total	_____	\$_____	_____	\$_____	_____	\$_____

2. Provide servicing by product type based on the status as of the end of each of the last three fiscal years. Include unpaid principal balance (UPB) information.

Total Mortgage Loan Servicing Portfolio

	Fiscal Year ____		Fiscal Year ____		Fiscal Year ____	
	No. Loans	UPB	No. Loans	UPB	No. Loans	UPB
Conventional	_____	\$_____	_____	\$_____	_____	\$_____
Government	_____	\$_____	_____	\$_____	_____	\$_____
Total	_____	\$_____	_____	\$_____	_____	\$_____

3. Provide the following statistics on total mortgage servicing portfolio:

	Fiscal Year End ____	Fiscal Year End ____	Fiscal Year End ____
WAC (Weighted Average Coupon)	_____	_____	_____
WAM (Weighted Average Maturity)	_____	_____	_____
WALA (Weighted Average Loan Age)	_____	_____	_____

4. Please list the five largest loans your organization has funded in the last three years.

<u>Loan Type</u>	<u>Original UPB</u>	<u>Origination Date</u>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

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5. What is the largest loan you are prepared to fund? _____

V. Multifamily Mortgage Lending Experience

1. Do you originate multifamily mortgages? Yes No
2. Do you service multifamily mortgages? Yes No
3. Provide Multifamily Housing loan originations by product type based on the volume generated for each of the last three fiscal years. Include total number of loans and OPB:

Total Multifamily Housing Mortgage Loan Originations

	Fiscal Year ____		Fiscal Year ____		Fiscal Year ____	
	No. Loans	OPB	No. Loans	OPB	No. Loans	OPB
Conventional	_____	\$ _____	_____	\$ _____	_____	\$ _____
Government	_____	\$ _____	_____	\$ _____	_____	\$ _____
Total	_____	\$ _____	_____	\$ _____	_____	\$ _____

4. Provide servicing by product type based on the status as of the end of each of the last three fiscal years.

Total Multifamily Housing Mortgage Loan Servicing Portfolio

	Fiscal Year ____		Fiscal Year ____		Fiscal Year ____	
	No. Loans	UPB	No. Loans	UPB	No. Loans	UPB
Conventional	_____	\$ _____	_____	\$ _____	_____	\$ _____
Government	_____	\$ _____	_____	\$ _____	_____	\$ _____
Total	_____	\$ _____	_____	\$ _____	_____	\$ _____

5. Provide the following statistics on total *multifamily* mortgage portfolio:

	Fiscal Year End ____	Fiscal Year End ____	Fiscal Year End ____
WAC (Weighted Average Coupon)	_____	_____	_____
WAM (Weighted Average Maturity)	_____	_____	_____
WALA (Weighted Average Loan Age)	_____	_____	_____

6. Provide the following delinquency and foreclosure information.

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Delinquent Multifamily Housing Loans -Conventional

	Fiscal Year Ending_____		Fiscal Year Ending_____		Fiscal Year Ending_____	
	No. Loans	UPB	No. Loans	UPB	No. Loans	UPB
30 days	_____	\$_____	_____	\$_____	_____	\$_____
60 days	_____	\$_____	_____	\$_____	_____	\$_____
90 days	_____	\$_____	_____	\$_____	_____	\$_____
Greater than 90 days	_____	\$_____	_____	\$_____	_____	\$_____
In foreclosure	_____	\$_____	_____	\$_____	_____	\$_____
<i>Avg. time in foreclosure</i>	_____		_____		_____	
In bankruptcy	_____	\$_____	_____	\$_____	_____	\$_____
<i>Avg. time in bankruptcy</i>	_____		_____		_____	
REO	_____	\$_____	_____	\$_____	_____	\$_____
<i>Avg. time in REO</i>	_____		_____		_____	
Total	_____	\$_____	_____	\$_____	_____	\$_____

Delinquent Multifamily Housing Loan Portfolio - Government

	Fiscal Year Ending_____		Fiscal Year Ending_____		Fiscal Year Ending_____	
	No. Loans	UPB	No. Loans	UPB	No. Loans	UPB
30 days	_____	\$_____	_____	\$_____	_____	\$_____
60 days	_____	\$_____	_____	\$_____	_____	\$_____
90 days	_____	\$_____	_____	\$_____	_____	\$_____
Greater than 90 days	_____	\$_____	_____	\$_____	_____	\$_____
In foreclosure	_____	\$_____	_____	\$_____	_____	\$_____
<i>Avg. time in foreclosure</i>	_____		_____		_____	
In bankruptcy	_____	\$_____	_____	\$_____	_____	\$_____
<i>Avg. time in bankruptcy</i>	_____		_____		_____	
REO	_____	\$_____	_____	\$_____	_____	\$_____
<i>Avg. time in REO</i>	_____		_____		_____	
Total	_____	\$_____	_____	\$_____	_____	\$_____

7. Please list the five largest *multifamily* loans your organization has funded in the last three years.

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<u>Loan Type</u>	<u>Original UPB</u>	<u>Origination Date</u>
------------------	---------------------	-------------------------

1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

8. Specify whether you are a rated master servicer or special servicer by any rating agencies. Provide rating agency, rating and date of rating.

<u>Rating Agency</u>	<u>Rating</u>	<u>Rating Date</u>
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_____	_____	_____
_____	_____	_____
_____	_____	_____

9. Are you currently participating in other MHPI projects? Yes No
If "Yes", attach project description, loan sizes and characteristics. Attached

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VI. Mortgage Lending Procedures And Internal Controls

Note: *Following approval by the Department of Defense (DoD), lenders must establish and follow formal written procedures that correspond to the DoD Loan Guaranty Agreement for all functions.*

1. Do you use a commercially available software package or an in-house computer system for loan servicing?
Specify the package used: _____ Yes No
2. Do you intend to use a subservicer for your multifamily servicing functions? Yes No
Subservicer Name/Address

3. Attach an executed copy of your subservicing contract, if applicable. Attached
4. If you have not executed a subservicing contract, please indicate when you intend to do so: Date:
5. If you are intending to use a subservicer, attach information on the subservicer similar to the data request outlined in Section IV-Mortgage Lending Experience and Section V-Multifamily Mortgage Lending Experience (including all delinquency data) Attached
6. Who monitors subservicer performance at your company and what is their experience?
Attach additional sheets if necessary. Attached

7. Describe your procedures for monitoring subservicer performance. Attached
8. Do you have written procedures and controls for underwriting, approving, closing, servicing and delivering multifamily housing loans? Yes No
9. Please describe three default remedies used by your organization or subservicer for handling multifamily mortgages. Attached
10. Do you have a formal origination, underwriting, and delivery quality control process? Yes No
11. If yes, to number 10, is the quality control function performed by someone independent from the daily origination, underwriting, and delivery functions? Yes No

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12. Do you have a formal servicing/asset management quality control plan?	Yes	No
13. If yes, to number 12, is the servicing quality control function performed by someone independent from the daily servicing/asset management functions?	Yes	No
14. Attach a list of areas that your written quality control plan covers.	Attached	
15. Do you have a plan for identifying, renovating, testing and implementing solutions by year 2000 systems processing? Describe.	Description Attached	Yes No

VII. Statement Of Certification

1. Have you read all loan documents relating to the Department of Defense's Military Housing Loan Guaranty provided with this solicitation or directly from DoD?	Yes	No
2. Do you understand the terms of DoD's guaranteed loan program as detailed in the loan documents?	Yes	No
3. If your application is being submitted with a bidder's proposal, have you attached a loan term sheet and firm commitment for the subject transaction?	Yes	No
4. Do you have any contingencies related to the financing of the subject transaction?	Yes	No
5. If yes to number four, attach your list of contingencies.	Attached	
6. Does your company have delinquent and/or defaulted government debt?	Yes	No
7. Is your company the subject of any litigation, assessment, or contingent liabilities not disclosed in your financial statements?	Yes	No
8. Does your company agree to transfer ownership of, or the servicing obligations with respect to, a guaranteed loan only to parties approved by the government or meeting the standards set forth in DoD's Military Housing Loan Guaranty Agreement?	Yes	No
9. Is your company duly organized and validly existing under the laws of the states listed in Section III-3 of this form and is legally authorized to carry on its business and is qualified to do business in the states listed in Section III-3 of this form?	Yes	No
10. To the best of the lender's knowledge, with respect to the lender; any management officials or owners with five percent or more interest or affiliated business entities of the lenders; or any employees, agents, or subservicer who will perform services relating to DoD Military Housing Guaranteed Loans:	Yes	No
a. Are there any personal, business, or financial interests or relationships which would		

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cause a reasonable individual with knowledge of the relevant facts to question the integrity or impartiality of those who will be acting under this transaction?	Description Attached	Yes	No
b. Have any such persons ever been suspended, excluded, or debarred from contracting with a Federal entity?	Description Attached	Yes	No
c. If this form is being completed as part of a solicitation, have any such persons ever been engaged to provide services or advice on the institutions and/or assets that are the subject of this solicitation?	Description Attached	Yes	No
d. Have any such persons been subject to any order, judgment or decree enjoining the engagement in any activities in connection with any type of business transaction or acting as an investment adviser, underwriter, broker, dealer, financial institution, or any other business?	Description Attached	Yes	No
e. Have any such persons ever been convicted of a crime or named in a pending criminal proceeding?	Description Attached	Yes	No
f. Have any of such persons been suspended, terminated, debarred, or denied approval by HUD, Ginnie Mae, FHA/VA or any mortgage insurance lender warehouse lender, secondary market investor (<i>including Fannie Mae and Freddie Mac</i>), conduit, or correspondent?	Description Attached	Yes	No
g. Have any such persons been made insolvent, made a general assignment for the benefit of creditors, declared bankrupt, suffered or permitted the appointment of a receiver for its business or assets, liquidated, or denied fidelity insurance coverage or mortgagee's errors and omissions insurance coverage?	Description Attached	Yes	No
11. Is your company in good standing with all applicable federal, state and/or local regulating bodies, if any.		Yes	No
12. Does your company have the lawful authority to originate and/or service DoD guaranteed loans in its own name?		Yes	No
13. Are there any actions, claims, inquiries, investigations, suits or proceedings pending, at law or in equity or before or by any government agency, or, to the knowledge of your company, threatened against or affecting your company which reasonably may be expected to result in any material adverse change in the business, operations, assets or condition of your company?	Description Attached	Yes	No
14. Does your company agree to notify DoD in writing within 30 days if there are any material changes in its corporate or ownership structure or business practices, including, but not limited to changes in name, principal place of business, mergers, dissolution, bankruptcy or insolvency, character of business, status as an approved lender in any federal loan or loan			

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guaranty programs? Do you also agree to notify the government of material changes in any information provided in connection with this application?	Yes	No
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15. Does your company agree to comply with the conditions established by the government for continued participation in the DoD Military Housing Loan Guaranty Program?	Yes	No
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16. Does your company agree to promptly furnish any additional information needed in connection with its approval as a guaranteed lender, its operation or in connection with any guaranteed loan? Does your company agree to make available to the government upon reasonable prior notice, for inspection, copying and auditing, its books, records and accounts with respect to any guaranteed loan or general operations relating to any guaranteed loan? If any guaranteed loan shall ever be serviced or sub-serviced by a party other than the lender, will your company require (and any servicing or subservicing agreement shall contain a provision requiring) that any such servicer or subservicer permit such on-site inspections, evaluations and audits of its operations and records?	Yes	No
--	-----	----

In addition to the agreements set forth above, the lender specifically must agree to comply with the following requirements in furtherance of Office of Management and Budget (OMB) Circular A-129 and the Debt Collection Improvement Act of 1996.

17. Does your company agree to require prospective borrowers (including all principals of the borrower) under the DoD guaranteed loan program to provide their tax identification number? Does your company agree to notify parties that their tax identification number will be used by the lender and the government to determine whether such parties are delinquent or in default on any Federal debt and to report on delinquent debt?	Yes	No
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18. Does your company agree to collect and report on delinquent debt of borrowers under the DoD guaranteed loan program?	Yes	No
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19. Does your company agree to report credit extensions and delinquent debts of prospective borrowers under the guaranteed loan program to credit reporting bureaus to support the improvement of providing debtor information to the public and federal agencies?	Yes	No
--	-----	----

20. Does your company agree to determine as part of its underwriting process whether a prospective borrower for a guaranteed loan is creditworthy and has the ability to repay a proposed guaranteed loan? The process for making such a determination shall include, at a minimum, obtaining and evaluating credit reports from credit agencies, obtaining and evaluating appraisal reports when necessary, and evaluating whether the proposed loan evidences a commercially reasonable debt service coverage and loan-to-value ratio.	Yes	No
--	-----	----

21. Does your company agree to deny credit to a prospective borrower for a guaranteed loan if such party (or its principals) owes delinquent debt to the federal government and such delinquency has been satisfactorily resolved according to the federal agency responsible for administering such delinquent debt?	Yes	No
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The undersigned entity hereby represents and warrants that: (1) all information contained in this Eligibility Form is complete and accurate, and (2) DoD will be notified of any material change in the information provided in this Form during the time after submission of this Form and prior to approval. The undersigned entity understands that DoD will be relying upon the information contained in this Form and that any misrepresentation or omission may constitute a civil or criminal violation and may be cause for suspension or termination as a Guaranteed Lender by DoD.

This application is a material representation of fact upon which reliance is being placed by the federal government. Submission of this application is a prerequisite for approval as a guaranteed lender. It is a crime to knowingly make false statements to a federal agency. Penalties upon conviction can include a fine and imprisonment. For details, see Title 18 U.S. code, Section 1001.

The undersigned person certifies that she/he is authorized to execute this application on behalf of the lender and its principals. By submitting this application, the undersigned certifies that the facts stated and the representations made in this application are true, to the best of the lender's knowledge and belief after due diligence, and that the lender has not omitted any material facts.

Name:

Title:

Signature:

Company:

Date:

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INSTRUCTIONS FOR COMPLETION OF THE GUARANTEED LENDER ELIGIBILITY FORM

Use the attached form to apply for approval as a guaranteed lender status for the Department of Defense's (DoD) Military Housing Privatization Initiative (MHPI). The form is designed to collect basic information needed in order for DoD to undertake a full examination of the applicant. This application form is valid only when it is complete and signed by the proper authority. The following instructions apply to the attached application form.

I. General Information

1-2. The Federal tax identification number and the Dun and Bradstreet number will be used to determine whether the prospective lender is delinquent or in default on any federal debt and to collect and report on delinquent debt under the DoD guaranteed loan program. DoD reserves the right to reject a potential lender if it is not in good standing with the government. If your Dun and Bradstreet number is not known, contact your local Dun and Bradstreet office.

3-6. Self-explanatory

7. DoD reserves the right to request financial or other information from parent companies and subsidiaries as necessary in order to complete its evaluation.

8. Self explanatory

9. Self explanatory

10. In addition to information requested on this form, attach any information that will confirm your current level of participation in these agency's programs.

II. Contacts/Principal Officers

1-3. Self-explanatory

4. DoD requests information on individuals in charge of multifamily mortgage areas to ensure that there is adequate quality staffing for MHPI project loans. In addition to the functions noted under 4a-4h, include individuals in charge of other areas not listed under "4i-Other."

21 Dec 98

5. Self-explanatory

III. Company Profile

1. Self explanatory

2. In the event that current audited financials for the last three years are not available, please attach an explanation along with interim financial statements.

3. Self explanatory

4. Self explanatory

5. The definition of minority-owned business concern is from the FAR.

6. The definition of woman-owned business concern is from the FAR.

7. Fiscal Year End Date should correspond with financial statements.

IV. Mortgage Lending Experience

1. Loans that are sold to Fannie Mae, Freddie Mac or other private sector company are considered conventional. FHA, Rural Housing Service and Veterans Administration loans, among others, are considered government. Note that the original loan balances (OLBs) are requested.

2. Note that the unpaid principal balances (UPBs) are requested.

3. The WAC, WAM and WALA is for the entire portfolio, whether government or conventional.

4. The loans do not need to be multifamily loans. Loans should have been originated in the last three years.

5. This figure does not commit the lender. It is meant to provide DoD with an understanding of what the lender's perceived loan limit is.

V. Multifamily Mortgage Lending Experience

1-2. Based on status as of current fiscal year.

3-5. Corresponds to 1-3 in "IV. Mortgage Lending Experience" section, except it only includes multifamily mortgages.

6. Average time in foreclosure, bankruptcy or REO should be noted in months. A separate attachment is acceptable.

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7. Loans listed should have been originated in last three years.

8. Include ratings from all agencies. If you have been rated more than once by the same agency, provide the most recent rating.

9. Self-explanatory.

VI. Mortgage Lending Experience

1. If more than one loan servicing system is used, list all and explain what each system is used for.

2-7. Subservicer information should be as complete as possible, especially if subservicer will be used for MHPI projects.

8. DoD may request copies of your written procedures for underwriting and servicing multifamily loans.

9. Default remedies should include concrete examples of ways in which the remedies were exercised.

10-14. A clearly written and comprehensive quality control plan is requested.

15. Attach plan for handling Year 2000 systems processes.

VII. Statement of Certification

1-21 and Signature. The following are representations that will be part of your permanent record. Items 17-21 ensure compliance with federal requirements, including compliance with the Debt Collection Improvement Act of 1996 and the Office of Management and Budget (OMB) Circular A-129. For all certifications that are indicated as "No", attach explanations or legal opinion for any of your responses, if appropriate. This application must be signed by an officer of the company who has the authority to certify on behalf of the lender and its principals.

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APPENDIX U-3: BORROWER APPROVAL APPLICATION

**BORROWER APPROVAL APPLICATION
DEPARTMENT OF DEFENSE (DoD) MILITARY PRIVATIZATION INITIATIVE
(MHPI)
DOD DIRECT AND GUARANTEED LOAN PROGRAMS**

PROJECT: Robins Air Force Base

APPLICANT INFORMATION

1. Applicant's Legal Name: _____

**2. Applicant's Headquarters
Address:** _____

**3. Applicant's Mailing
Address:** _____

4. Telephone **5. Fax**
No.: _____ **No.:** _____

**6. E-Mail
Address:** _____

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7. Principal Contact:

List the Principal contact for this application and any other persons who may submit application to the government and bind the Applicant in connection with the DoD loan program..

Name & Title

Telephone

Fax

**Primary
Contact?**

Yes No

8. Type of Entity:

Corporation

Limited Liability
Company

General
Partnership

Limited Partnership

Other, specify:

9. Tax Identification Number:

Pursuant to various federal regulatory requirements, the tax identification numbers collected throughout the application will be used to determine whether the Applicant (and its Principals and Guarantors, as applicable) is delinquent or in default on any federal debt and to collect and report on delinquent debt under the DoD Guaranteed and Direct Loan programs. DoD reserves the right to reject an Applicant if the Applicant (or its Principals or Guarantors) is not in good standing with the government.

10. Dun & Bradstreet Number:

11. Principals and Key Officers:

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Include key officers of Applicant (specifying CEO, President and CFO), if it is a corporation and any person or entity with more than a 10 percent ownership interest in the Applicant.

Name	Telephone	Fax	Tax Id Number*	Percent Ownership Interest in Applicant
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

* Supply Social Security numbers for individuals. If Principals and Key Officers have a 10 percent or greater ownership in the Applicant, complete the attached Credit Investigation Notice form.

12. Affiliates

Provide the list of affiliate companies of the Applicant and include parent companies and any subsidiaries. Note the address and relationship of each company.

Company Name	Address	Relationship
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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CORPORATE GUARANTOR INFORMATION

List below the name of any person or entity that will guarantee the Direct and/or Guaranteed Loans or cash-flows of subject military housing project. Attach separate sheets of paper if necessary:

**13. Guarantor
Name:** _____

**14. Guarantor
Address:** _____

15. Contact Name: _____

16. Telephone: _____

17. Fax: _____

18. Tax Id Number: _____

**19. Dun & Bradstreet
No:** _____

**20. Guarantor of Guaranteed
Loan?** _____

**Guarantor of Direct
Loan?** _____

LOAN INFORMATION

The Applicant is applying for approval for (check applicable boxes and provide requested information):

21. ☐ Guaranteed Loan

22. ☐ Direct Loan

Department of Defense

**a. Lender
:** _____

a. Lender _____

**b. Loan
Amount:** _____

**b. Loan
Amount:** _____

**c. Fixed ☐ Adjustable ☐
Rate Rate**

**c. Fixed ☐ Adjustable ☐
Rate Rate**

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Index, if adjustable rate: _____	Index, if adjustable rate: _____
d. Interest Rate: _____	d. Interest Rate: _____
e. Term of Loan: _____	e. Term of Loan: _____
f. Amortization Period of Loan: _____	f. Amortization Period of Loan: _____
g. Expected Loan Closing Date: _____	g. Expected Loan Closing Date: _____
h. Expected Loan Maturity Date: _____	h. Expected Loan Maturity Date: _____

23. Multifamily Loan Information

Yes **No**
☐ ☐ The Applicant has received a multifamily housing loan in the past.
If yes, list each loan and its status. Attach additional sheets if necessary.

Type (FHA, etc)	Loan Number	Original Amount and Origination Date	Name of Lender and Loan Status
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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APPLICANT CERTIFICATIONS

Attached to this application are true and correct copies of the following information from the Applicant and Principals of the Applicant. (Principal is being defined for purposes of this application as a person, party or entity with a 10 percent or greater ownership interest in the Applicant.):

- | | Yes | No | |
|------------|--------------------------|--------------------------|---|
| 24. | <input type="checkbox"/> | <input type="checkbox"/> | Financial statements, audited by an independent public accountant, for the most recent three years. If the Applicant is an entity which has existed for less than three years, the Applicant has also provided audited financial statements for the Principals of the Applicant. If audited financial statements are unavailable for any party, the Applicant has submitted financial statements that are certified as being true and correct by an authorized representative of the Applicant, and by the Principal(s), as applicable. |
| 25. | <input type="checkbox"/> | <input type="checkbox"/> | Federal tax returns for the most recent three years. |
| 26. | <input type="checkbox"/> | <input type="checkbox"/> | All bank statements for the most recent three months. |
| 27. | <input type="checkbox"/> | <input type="checkbox"/> | The Applicant's organizational documents, including the Certificate of Incorporation where applicable, are certified as being true and correct by an authorized representative of the Applicant. |

The Applicant hereby agrees to:

- 28.** Comply with all DoD and Air Force policies and procedures governing borrowers under the DoD loan programs, including requirements set forth in the form of the Guaranty Agreement for the Robins Air Force Base MHPI project, those otherwise established by DoD and the Air Force, and all applicable federal regulatory requirements;
-
- 30.** Notify DoD in writing within 30 days if there are any material changes in its corporate or ownership structure or business practices, including, but not limited to changes in name, Principal place of business, mergers, dissolution, bankruptcy or insolvency, and character of business. Applicant shall also notify the government of material changes in any information

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provided in connection with this application;

31. Promptly furnish any additional information needed in connection with any DoD loan, its approval as a borrower under the DoD loan programs, and its operation. Make available to the government upon reasonable prior notice, for inspection, copying and auditing, its books, records and accounts with respect to any DoD loan and its general operations relating to any DoD loan; and

APPLICANT CERTIFICATIONS

32. Transfer its rights and obligations with respect to a DoD Guaranteed or Direct Loan only to parties approved by the government and meeting the standards set forth in the related loan documents.

In addition to the agreements set forth above, the Applicant specifically agrees to comply with the following requirements in furtherance of Office of Management and Budget (OMB) Circular A-129 and the Debt Collection Improvement Act of 1996. These requirements will be performed in connection with any future DoD Direct or Guaranteed Loan and will be complied with in connection with the subject Guaranteed and Direct Loans.

33. The Applicant (and its Principals and Guarantors) have provided their tax identification number to DoD.
34. The Applicant (and its Principals and Guarantors) acknowledge and understand that their tax identification number will be used by any lender participating in the Guaranteed and Direct Loan programs and the government to determine whether such parties are delinquent or in default on any federal debt and to collect and report on delinquent debt of borrowers under the DoD Guaranteed and Direct Loan programs.
35. The Applicant (and its Principals and Guarantors) acknowledge and understand that any Guaranteed Lender and the government will report credit extensions and delinquent debts of prospective borrowers under the Guaranteed and Direct Loan programs to credit reporting bureaus to support the improvement of providing debtor information to the public and federal agencies.

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36. The Applicant (and its Principals and Guarantors) acknowledge and understand that any Guaranteed Lender and the government will determine as part of its underwriting process whether the Applicant (and its Principals and Guarantors) is creditworthy and have the ability to repay proposed Guaranteed and Direct Loans. The process for making such a determination shall include, at a minimum, obtaining and evaluating credit reports from credit agencies, obtaining and evaluating appraisal reports when necessary, and evaluating whether the proposed loans evidence a commercially reasonable debt service coverage and loan-to-value ratio.
37. The Applicant (and its Principals and Guarantors) acknowledge and understand that any Guaranteed Lender and the government will deny credit to the Applicant for a Guaranteed and/or Direct Loan if the Applicant (or its Principals and Guarantors) owes delinquent debt to the federal government and such delinquency has not been satisfactorily resolved according to the federal agency responsible for administering such delinquent debt.

The Applicant hereby certifies as follows:

38. Neither the Applicant nor any of its Principal officers, directors, if applicable, Guarantors or owners listed above have been debarred or suspended from participation in any federal lending programs.
39. Neither the Applicant nor any of its Principal officers, directors, if applicable, Guarantors or owners listed above are in default or delinquent on any federal debt or loans.
40. It is duly organized and validly existing under the laws of the State of Texas and is legally authorized to carry on its business in the State of Texas.
41. It is in good standing with all applicable federal, state and/or local regulating bodies.
42. It has the lawful authority to borrow any Guaranteed and/or Direct Loans as listed above in its own name.
43. **Authorized Officer**

This application is a material representation of fact upon which reliance is being placed by the federal government. Submission of this application is a prerequisite for approval as a borrower and the approval of the proposed Guaranteed and Direct Loans. It is a crime to knowingly make false statements to a federal agency. Penalties upon conviction can include a fine and imprisonment. For details, see Title 18 U.S. code, Section 1001.

The undersigned person certifies that she/he is authorized to execute this application on behalf of the Applicant and its Principals and its Guarantors. By submitting this

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application, the undersigned certifies that the facts stated and the representations made in this application are true, to the best of the Applicant's knowledge and belief after due diligence, and that the Applicant has not omitted any material facts.

By: _____
(Signature of Authorized Officer)

Name
: _____

Title _____

Date: _____